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SENSITIVE

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SUBJECT: RECENT MEETINGS OF EMBASSY'S INSTITUTIONS OF
DEMOCRACY WORKING GROUP (IDWG)

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1. (SBU) Summary: The Charge chaired meetings of the Embassy's Institutions of Democracy Working Group (IDWG) on June 21 and July 5, which were attended by USAID Deputy Director, USAID D&G staff, A/PAO and PA staff, ECPO Counselor and ECPO staff. The meetings included discussion of the June 20 visit to Egypt by Secretary Rice; GOE proposals for D&G activities; a USAID update on direct funding of civil society activities; and a discussion of reform projects proposed by the Bibliotheca Alexandrina. The meetings also included a review of the June 28 Democracy and Governance Consultative Group meeting, as well as follow-up discussion on the hurdles MEPI grantees and prospective applicants may be facing from Egypt's Ministry of Insurance and Social Affairs (MISA) in applying for grants and receiving permission to begin activities. End summary.

2. (SBU) In the June 21 meeting, after ECPO briefed the IDWG on the just-completed visit by Secretary Rice to Egypt, USAID briefed the group on recent discussions with the Ministry of International Cooperation (MIC) about additional possible avenues for U.S. D&G funding. The GOE had urged USAID to consider supporting the existing GOE campaign to provide all citizens with ID cards, as a means, over the medium term, to boost voter registration. The IDWG discussed the near-term utility of such a campaign, especially in light of the NDP's apparent unwillingness to re-open voter registration in 2005. The IDWG agreed that supporting voter registration was a desirable goal, but urged USAID to seek more detail from the GOE regarding the linkages between provision of ID documents and voter registration.

3. (SBU) Also in the June 21 meeting, USAID briefed the IDWG on the status of pending grants for democracy promotion activities, in response to the Annual Program Statement (APS). USAID advised that grants to the National Democratic Institute (NDI), International Committee for Journalists (ICJ), and the Arab Penal Reform Organization (APRO) had been approved in principle and were subject to final financial and other due diligence reviews. USAID also noted that it would soon decide which contractor (either the International Federation for Electoral Systems (IFES) or Development Associates (DA)) to award the planned contract for elections technical assistance.

4. (SBU) The IDWG then discussed plans to ensure obligation of 632(a) funds before the end of the FY2005, and debated the potential for the Bibliotheca Alexandrina (BA) to play a significant role in support of political reform, both in Egypt and across the Arab region. The IDWG agreed that USAID would consider BA proposals in support of Egyptian civil society while MEPI should be encouraged to work with the BA's Arab reform project.

5. (SBU) In the July 5 IDWG meeting, USAID briefed the IDWG on the fourth meeting of the Democracy and Governance Consultative Group (CG), on June 28th. At the CG meeting, MIC's Ambassador Badr distributed a June 26th letter from USAID to the MIC advising that USAID would soon be signing the grants for NDI, ICJ, and a coalition of NGOs, as well as a contract with the International Foundation for Election Systems (IFES). (Note: the grants and contract are all to support the upcoming presidential and parliamentary elections. The general areas for USAID elections support as well as USAID's intention to sign a set of grants by the end of June had been discussed in the previous CG meeting. End note). The CG agreed that the agenda for the meeting would be to continue to discuss USAID's proposed areas for elections assistance, to consider whether proposed assistance was permitted given the provisions of Egypt's NGO law, and, at Ambassador Badr's urging, consideration of the specific grants described in the letter. USAID's Deputy Director noted that consideration of specific grants fell outside the purview of the CG. The discussion turned to the general description of USAID's planned support to elections, following on the discussion of the prior week.

6. (SBU) Other topics discussed at the CG meeting included the potential role of domestic elections observers and the

sensitivities of the topic in Egypt. The group debated the language in the NGO law regarding political activities, with the GOE representatives arguing that the law sharply restricts NGO political activities, and the NGO representatives arguing that it is less restrictive. In response to concerns about USAID's plan to move forward with the specific grants and contract, USAID emphasized that it is unreasonable to expect a group not already registered with MISA to seek registration in advance of seeking a grant. Organizations not already registered would be expected to start the process once their grant was approved. USAID also clarified that the U.S. definition of an NGO may be broader than the Egyptian definition. USAID firmly maintained that its activities involve development work in the area of elections and democracy building, not in any way affecting or influencing political outcomes.

17. (SBU) Following the review of the June 28th CG meeting, the IDWG briefly discussed recent reports from MEPI grantees and prospective applicants that suggest MISA is seeking to hinder implementation of MEPI projects in Egypt. In response, the Charge noted that there have been no formal, written rejections to date and emphasized the need to "move ahead until we're stopped."

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